

REPORT OF THE COMMITTEE ON ZONING, PLANNING AND HOUSING

Voting Members:

Ron Menor, Chair; Tommy Waters, Vice-Chair;
Brandon J.C. Elefante, Ann H. Kobayashi, Joey Manahan

Committee Meeting Held
July 16, 2020

Honorable Ikaika Anderson
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Zoning, Planning and Housing, which considered Resolution 20-173 entitled:

"RESOLUTION AMENDING RESOLUTION 19-61 TO REPRICE THIRTY-TWO UNITS FROM MARKET TO AFFORDABLE; ADD AN ADDITIONAL FLOOR TO THE PARKING STRUCTURE; AND AMEND EXEMPTIONS RELATING TO WASTEWATER SYSTEM FACILITY CHARGES AND WATER SYSTEM FACILITIES CHARGES FOR THE ILILANI AFFORDABLE AND MARKET RATE CONDOMINIUM PROJECT LOCATED AT 615 KEAWE STREET AND 690 HALEKAUWILA STREET, HONOLULU, HAWAII, TAX MAP KEYS: (1) 2-1-041: 011 AND 012,"

transmitted by Miscellaneous Communication 437 (2020) from the Hawaii Housing Finance and Development Corporation, dated July 9, 2020, reports as follows:

The purpose of Resolution 20-173 is to amend Resolution 19-61, which authorized, pursuant to Section 201-H38 of the Hawaii Revised Statutes ("HRS"), exemptions and deferrals from the payment of certain City application fees and public works fees and charges for the Ililani affordable and market rate condominium project (the "Project").

The Project is within the Kakaako Community Development District, which is under the planning and zoning jurisdiction of the Hawaii Community Development Authority ("HCDA") pursuant to HRS Chapter 206E.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON **AUG 19 2020**

COMMITTEE REPORT NO. **184**

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The Project is located on a 33,736 square foot site located at 615 Keawe Street and 690 Halekauwila Street, and is zoned under the HCDA's Mauka Area Rules.

The Project consists of a 42-story, 367-foot high residential tower, and a separate parking structure. All of the affordable units will be subject to the HHFDC's 10-year buy-back and shared appreciation requirements.

The Applicant proposes to modify the Project and revise the infrastructure or public works fees and charges as follows:

1. Convert 32 of the market-rate units to affordable units;
2. Add an additional floor to the parking structure to add 56 parking spaces;
3. Allow an exemption from payment of wastewater system facility charges attributed to affordable units, and a deferral of payment of charges attributed to market units; and
4. Allow the Board of Water Supply ("BWS") to waive payment of water system facility fees attributed to affordable dwelling units, provided that all BWS requirements are met (the BWS will determine the amount of any waiver at the time the Project's building permit application is processed); and a deferral of payment of fees attributed to market units.

The Project's revised preliminary plans and specifications were submitted to the Council as a part of Miscellaneous Communication 437 (2020).

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At your Committee's meeting on July 16, 2020, the Department of Planning and Permitting ("DPP") Transit-Oriented Development ("TOD") Administrator testified in support of the Resolution. Representatives from Ililani LLC testified in support of the Resolution.

Your Committee received written testimony from the BWS offering comments on the Resolution.

Your Committee prepared a CD1 version of the Resolution that makes the following amendments:

- A. Amends the resolution title to clarify the proposed Project amendments.
- B. Amends the second WHEREAS clause to delete duplicative provisions, and add a finding that the Project is consistent with the housing and community development goals of the Hawaii Housing Finance and Development Corporation ("HHFDC").
- C. Adds a third WHEREAS clause to provide that in the midst of the COVID-19 pandemic, the Owner & Developer believes an amendment to the Project is necessary to make the Project feasible.
- D. Deletes the next WHEREAS clause, and moves the table (showing the target household income groups for the affordable dwelling units) to Paragraph A of the BE IT RESOLVED CLAUSE.
- E. Deletes the following three WHEREAS clauses, which duplicate Project amendments that are included in the fourth to the last WHEREAS clause.

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- F. Amends the fourth to the last WHEREAS clause to include a detailed description of the Project amendments.
- G. Amends the third to the last WHEREAS clause to provide that the Council reviewed the Project's revised preliminary plans and outlined specifications included in M-437 (2020), transmitted by the HHFDC to the Council on July 10, 2020.
- H. In Paragraph C of the BE IT RESOLVED clause, clarifies that the resolution approves:
 - 1. A deferral of payment of wastewater system facility charges attributed to the market-rate dwelling units (estimated at \$607,614) until a certificate of occupancy for the Project is issued; and
 - 2. An exemption from payment of wastewater system facility charges attributed to the affordable dwelling units (estimated at \$911,420).
- I. In paragraph D of the BE IT RESOLVED clause, clarifies that the resolution approves:
 - 1. A deferral of payment of water system facilities charges attributed to the market-rate dwelling units (estimated at \$337,607) until a water meter is installed; and
 - 2. An exemption to allow the Board of Water Supply ("BWS") to waive payment of wastewater system facility charges attributed to the affordable dwelling units (estimated at up to \$506,411); provided that all BWS requirements are met, with the actual amount of the exemption to be determined by the BWS during the building permit review process.

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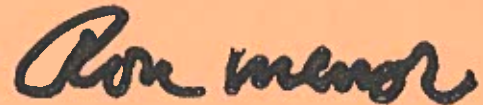
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J. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Zoning, Planning and Housing is in accord with the intent and purpose of Resolution 20-173, as amended herein, and recommends its adoption in the form attached hereto as Resolution 20-173, CD1. (Ayes: Elefante, Kobayashi, Menor, Waters - 4; Ayes with reservations: None; Noes: None; Excused: Manahan - 1.)

Respectfully submitted,



Committee Chair

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON AUG 19 2020

COMMITTEE REPORT NO. 184



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 20-173, CD1

RESOLUTION

AMENDING RESOLUTION 19-61 TO REPRICE 32 PROJECT DWELLING UNITS FROM MARKET-RATE TO AFFORDABLE; ADD AN ADDITIONAL FLOOR TO THE PARKING STRUCTURE; AND AMEND THE DEFERRAL OF PAYMENT OF WASTEWATER SYSTEM FACILITY CHARGES AND WATER SYSTEM FACILITIES CHARGES FOR THE ILILANI AFFORDABLE AND MARKET RATE CONDOMINIUM PROJECT LOCATED AT 615 KEAWE STREET AND 690 HALEKAUWILA STREET, HONOLULU, HAWAII, TAX MAP KEYS: (1) 2-1-041: 011 AND 012.

WHEREAS, on February 14, 2019, the Board of Directors of the Hawaii Housing Finance and Development Corporation ("HHFDC") approved Ililani, LLC ("Owner & Developer"), as an eligible developer, and the Ililani Affordable and Market Rate Condominium Project ("Project") for processing under the provisions of Chapter 201H of the Hawaii Revised Statutes ("HRS"); and

WHEREAS, on April 17, 2019, the Council adopted Resolution 19-61, approving the Project, including exemptions from certain statutes, ordinances, rules, and regulations pursuant to HRS Section 201H-38, and finding that the Project was consistent with the housing and community development goals of the Hawaii Housing Finance and Development Corporation ("HHFDC"); and

WHEREAS, in the midst of the COVID-19 pandemic, the Owner & Developer believes that amendments to the Project and its exemptions are necessary to make the Project feasible; the amendments would make the Project eligible for additional cost-saving financial exemptions and increase the prospective buyer pool for the Project's dwelling units; and

WHEREAS, on July 9, 2020, pursuant to the request of the Owner & Developer, the HHFDC Board of Directors approved amendments to the Project proposal previously approved under HRS Chapter 201H, to revise the Project's dwelling unit offering by repricing 32 units from market-rate to affordable, thereby increasing the total number of affordable units from 165 to 197; add an additional floor to the parking structure (for a total of nine levels) to add 56 off-street parking spaces, thereby increasing the total number of parking spaces from 395 to 466; and amend the deferral of payment of wastewater system facility charges and water system facilities charges to allow for a complete exemption from payment of those charges attributed to affordable dwelling units; and



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WHEREAS, the Council has reviewed the requested amendments to the previously approved Project proposal, and the revised preliminary plans and outline specifications for the Project, transmitted by the HHFDC to the Council by Miscellaneous Communication 437 (2020), dated July 10, 2020; and

WHEREAS, the granting of these amendments to the previously approved Project proposal is consistent with the purpose and intent of HRS Chapter 201H, meets the minimum health and safety requirements, does not contravene any safety standards, tariffs, or rates and fees approved by the Public Utilities Commission for public utilities, or the Board of Water Supply authorized under HRS Chapter 54; and

WHEREAS, the exemptions meet minimum requirements of health and safety; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the following amendments to the previously approved Project proposal:

- A. Revision to the Project's dwelling unit offering by repricing 32 units from market-rate to affordable as follows:

<u>Resolution 19-61</u> <u>(No. of Units)</u>	<u>Proposed</u> <u>Amendment</u> <u>(No. of Units)</u>	
33	34	Up to 80% AMI
33	33	Up to 100% AMI
50	92	Up to 120% AMI
49	38	Up to 140% AMI
165	197	Total Affordable Units

- B. Addition of another floor to the parking structure (for a total of nine levels) to add 56 off-street parking spaces, thereby increasing the total number of parking spaces from 395 to 466, as depicted in the revised preliminary plans and specifications for the Project.
- C. Exemption from ROH Sections 14-10.1, 14-10.2, and 14-10.3, to allow:
1. A deferral of payment of wastewater system facility charges attributed to market-rate dwelling units until issuance of a Certificate of Occupancy, estimated at \$607,614; and



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2. An exemption (waiver) from payment of wastewater system facility charges attributed to affordable units, estimated at \$911,420.
- D. Exemption from Sections 1-102, 2-202(2), and 2-202(3), of the Board of Water Supply ("BWS") Rules and Regulations, to allow:
1. A deferral of payment of water system facilities charges attributed to market-rate dwelling units until installation of a water meter, estimated at \$337,607; and
 2. An exemption to allow the BWS to waive payment of water system facility fees attributed to affordable dwelling units, estimated at up to \$506,411; provided that all BWS requirements are met. The BWS shall determine the amount of the exemption during the building permit review process; and

BE IT FURTHER RESOLVED, that no action may be prosecuted or maintained against the City and County of Honolulu, its officials, or employees, on account of actions taken by them in reviewing, approving, or in granting these amendments; and

BE IT FURTHER RESOLVED that in all other respects Resolution 19-61 is hereby ratified and confirmed, and continue in full force and effect; and



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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Hawaii Housing Finance and Development Corporation, 677 Queen Street, Suite 300, Honolulu, Hawaii 96813; and to Ililani, LLC, 1860 Ala Moana Boulevard, Suite 1000, Honolulu, Hawaii 96815.

INTRODUCED BY:

Ikaika Anderson (br)

DATE OF INTRODUCTION:

July 10, 2020
Honolulu, Hawaii

Councilmembers